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C O N F I D E N T I A L SECTION 01 OF 02 VIENNA 001337

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DEPARTMENT FOR EUR/CE

E.O. 12958: DECL: 10/16/2019

TAGS: PGOV PREL AU

SUBJECT: AUSTRIA'S RIGHTWING BZO PARTY STRUGGLING AFTER

FOUNDER'S DEATH

Classified by: Economic-Political Counselor Philip Kaplan (acting) for reasons 1.4 (b) and (d).

11. (C) Summary: The Alliance for the Future of Austria (BZO) is in disarray one year after the death of charismatic founder and leader Joerg Haider, a controversial figure known for his nationalistic and anti-immigrant views. Though the party remains dominant in its traditional stronghold of Carinthia, it has fared miserably in recent elections in other states. The BZO's national leader wants to chart a pro-free market economic course and to avoid harshly anti-immigrant rhetoric, but the party's powerful Carinthia organization rejects such ideas. At the national level, the BZO has been eclipsed by the Freedom Party (FPO - also founded by Haider), the clear favorite among Austrian voters staunchly opposed to immigration. End Summary.

Party Struggles After Haider's Death

- 12. (U) BZO leaders in the state of Carinthia, the party's stronghold, gathered on October 11 to commemorate the one-year anniversary of the death of party founder Haider, who died in a car accident while driving intoxicated. Haider was a political legend in Austria and was revered by followers -- commemoration ceremonies included the opening of a Haider museum and a shrine at the crash site. At the time of his death, Haider was in the midst of a political comeback, having led his party to a surprising 11 percent of the vote in the September 2008 national elections. Today, however, the party appears to be struggling for survival, wracked by internal disputes over ideology and unable to attract voters outside of Carinthia.
- 12. (U) The BZO performed disastrously in state elections in Vorarlberg and Upper Austria in September 2009, polling at 1.2 percent and 2.8 percent respectively. In Upper Austria the party failed to draw votes despite the fact that Upper Austria is Haider's birthplace, the state has a traditionally strong nationalist/anti-immigrant element, and the party's lead candidate was Haider's sister. The BZO in the June 2009 EU elections also failed to garner enough votes for representation in the European Parliament. The party's only recent success came in the March 2009 Carinthia elections, in which the BZO drew 44.9 percent of the vote campaigning on a Haider-nostalgic platform.

Carinthia Clashes With National Leader

13. (U) Moreover, the national BZO leadership and the party's powerful Carinthia organization are locked in a dispute about the party's direction. National BZO Chairman Josef Bucher wants to distinguish the BZO from the FPO -- a rightwing, nationalist party that Haider founded and then left in 2005 to create the BZO after feuding with other FPO leaders. Bucher advocates a socially conservative, economically "liberal" (limited government, pro-free market) platform,

similar to that of Germany's Free Democrats, while Carinthia leaders advocate more populist economic policies focused on social services. The Carinthians also reject Bucher's call for a softer line, compared to the FPO, on immigration.

- 14. (C) We spoke with Bucher on October 14, shortly before a BZO board meeting called to reach a compromise on the policy question. Bucher told us his Carinthia colleagues are short sighted -- they know what works in Carinthia, but not at the national level. In Carinthia, he averred, the BZO is a carbon copy of the FPO, exploiting fears over immigration and promising social benefits the state cannot afford. This works in Carinthia, where the BZO is the leading party and the FPO barely registers. But in the rest of Austria, voters looking for this type of party will naturally favor the FPO, which is far stronger than the BZO, he said. Bucher said BZO leaders in Carinthia assume the party is destined to compete with the FPO and the Social Democrats for voters at the national level; they do not realize that polling data reveal that the BZO gained in the 2008 national elections by drawing voters away from the conservative People's Party (OVP). These voters, he averred, will not support an economically populist BZO.
- 15. (C) After the October 14 board meeting, party members released a statement saying they had reached a compromise allowing the two platforms to co-exist. But a number of contacts doubt whether Bucher's ideas will gain support. Thomas Hofer, a political analyst, told us there are no leading BZO members besides Bucher who are interested in a liberal economic approach. Moreover, he said, Carinthia is so dominant within the party that BZO leaders there have

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little incentive to take direction from the national party organization.

FPO-BZO Cooperation Rejected

 $\underline{\P}6.$ (C) Many observers have suggested that the logical approach would be for the FPO and BZO to reach an arrangement similar to the CDU and CSU in Germany, whereby the BZO would pursue its own agenda in Carinthia while at the national level teaming up with the FPO in parliament. If the BZO were to add its 21 seats to the FPO's 34 seats, the combined bloc would constitute the second-strongest group in parliament. FPO MP Norbert Hofer (no relation to Thomas Hofer) told us the BZO had in fact offered such an arrangement to the FPO. FPO leaders turned them down, partly because of personal animosities dating back to the FPO split that created the BZO, and partly because FPO leaders believe the BZO is self destructing and don't see any reason to cut a deal, he said. Following the October 14 BZO meeting, party leaders reiterated their public opposition to a coalition with the FPO.

Comment: They Will Not be Missed

17. (C) The BZO seems destined to fail in its efforts to become a national party, and it's not clear whether the party can survive in the long run with its presence limited to Carinthia. Its demise would have little impact at the national level, as the FPO -- Haider's original platform for his brand of xenophobic politics -- has already cornered the anti-immigrant vote outside of Carinthia.